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STATEMENT
UNITED DRUG COMPANY
BOSTON, MASS.

DECEMBER 31, 1917

CONSOLIDATED INCOME STATEMENT

Year Ending December 31, 1917

Sales (NET)		\$40,716,289.88	
Cost of Goods Sold		26,832,192.88	
CURRENT GROSS PROFIT			\$13,884,097.00
Operating Expenses		9,968,438.47	
MERCHANDISING PROFIT			3,915,658.53
OTHER INCOME:			
Dividend on Outside Investments	\$31,986.17		
Adjustment Property and Sundry Accounts	16,115.20		
		48,101.37	
TOTAL OPERATING PROFIT			3,963,759.90
DEDUCT:			
Depreciation of Machinery, Fixtures, Etc.	\$399,363.91		
Doubtful Accounts Receivable	65,193.14		
Taxes, Current	232,873.99		
4% War Income Tax	110,322.35		
		807,753.39	
NET PROFIT TO SURPLUS			<u>\$3,156,006.51</u>

ANALYSIS OF SURPLUS

Net Surplus, January 1, 1917	\$1,410,456.18	
Net Profit Added During Year	3,156,006.51	
TOTAL		4,566,462.69
Dividends Paid on all Preferred and Common Stocks (including Subsidiary Companies)	1,842,329.09	
NET SURPLUS BALANCE, JANUARY 1st, 1918		\$2,724,133.60

NOTE: This Surplus is subject to reduction by the amount of Excess Profits Tax for 1917, estimated to be \$150,000.

COMBINED BALANCE SHEET

Including all Subsidiary Companies, December 31, 1917

(INTER-COMPANY ACCOUNTS ELIMINATED)

ASSETS

Cash	\$1,037,571.80 ✓	
Net Equity in Liberty Bonds	94,730.67	
Accounts and Notes Receivable	3,063,355.18	
Merchandise Inventories (at Cost or Less)	<u>10,593,427.66</u>	
TOTAL QUICK ASSETS		\$14,789,085.31
Real Estate and Buildings (owned in fee)		2,456,169.92
Buildings and Improvements to Leaseholds		1,127,646.98
Machinery, Furniture and Fixtures		4,479,150.10
Stock holdings in other companies		428,922.69
Advances and Suspense Accounts		721,227.62 ✓
Trademarks, Patents, Formulæ, Processes, Leaseholds and Good-will		23,496,575.53 ✓
TOTAL		<u>\$47,498,778.15</u>

LIABILITIES

Current Accounts Payable (not due)	\$2,784,525.89	
Notes Payable, by United Drug Company	1,840,000.00	
Notes Payable, by Subsidiary Companies	<u>120,000.00</u>	
TOTAL		\$4,744,525.89
First Preferred Stock		7,500,000.00
Second Preferred Stock		9,109,000.00
Common Stock		20,050,000.00
Preferred Stock of Subsidiary Companies outstanding		899,100.00
Real Estate and Mortgage Bonds (all of subsidiary companies)		590,804.43
Reserve for Depreciation of Machinery, Furniture and Fixtures		1,881,214.23
Surplus, after paying all Dividends		<u>2,724,133.60</u>
TOTAL		<u>\$47,498,778.15</u>

Respectfully submitted,

JAMES C. McCORMICK, Treasurer.